

FOR IMMEDIATE RELEASE
SEPTEMBER 14, 2006

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**DeNUCCI SAYS REGULATORY OBSTACLES MORE THAN
DOUBLE COST OF MWRA SEWAGE OUTFLOW PROJECT**

State Auditor Joe DeNucci reported today that due to various regulatory and environmental requirements, the cost of the Massachusetts Water Resource Authority's Combined Sewer Overflow (CSO) program has more than doubled and the project is expected to be completed seven years behind schedule.

According to DeNucci's audit, the court-ordered project to direct excess storm water from the sewage treatment facilities was originally expected to cost \$395 million and be completed in 2008. However, a series of regulatory and environmental reviews, necessary local approvals, court renegotiations, project revisions and inflation has pushed the price tag to \$856 million with a revised completion date of 2015.

The improvements to MWRA's combined sewer outflow system are part of the Boston Harbor cleanup program mandated by a federal court order in 1985. Although modern sewer systems generally handle storm water in separate drainage systems, older systems such as those in Boston, Cambridge, Chelsea and Somerville have "combined" sewers that carry both storm water and sewage from homes and businesses. During normal weather, the combined flows are sent to MWRA's treatment plant on Deer Island for processing. However, during heavy rains, the CSOs become overloaded and the overflow must be discharged into the nearest body of water.

"The MWRA has faced many obstacles in bringing this important project to completion," said DeNucci. "Therefore, it is essential that adequate management resources be devoted to monitoring all remaining CSO projects to prevent or control further cost increases and so that the program can be completed before 2015, if possible."

Despite the delays, DeNucci's report noted that 14 of the 25 projects that comprise the CSO plan have been completed, and construction has begun on nine of the 11 remaining projects.

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The CSO program has undergone several revisions since the original 1994 plan as the MWRA has focused on preventing discharges to such sensitive areas as beaches and shellfish beds. The authority also had to respond to changes in water quality standards required by the federal Environmental Protection Agency (EPA) and the state Department of Environmental Protection (DEP). The MWRA also made revisions in areas where it faced obstacles to project implementation, such as local opposition, or where new information questioned the cost effectiveness of a project.

DeNucci recommended that MWRA continue to negotiate with DEP, EPA and the affected communities to formalize agreed-upon actions and establish definite timelines for completion of the projects.

According to DeNucci's report, the MWRA's overall wastewater system improvements have reduced the average annual volume of combined overflow discharges from 3.3 billion gallons in 1988 to 800 million gallons today, a 76 percent reduction.

"This program has already resulted in significant improvements in water quality in many areas," said DeNucci. "Although the MWRA has been confronted with several factors beyond its control, the authority should do everything possible to protect the interests of the ratepayers and citizens of the Commonwealth."

The CSO program, currently the largest capital spending commitment in MWRA's capital budget, is one of three major components of the overall court-ordered Boston Harbor cleanup plan. The other two, which have already been completed, are construction of the Deer Island Primary and Secondary Treatment facilities and the Fore River Shipyard Plant which converts sludge into fertilizer.